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RECORDATION NO. 26118 FILED

JAN 13 '06 12:09 PM

SURFACE TRANSPORTATION BOARD

OF COUNSEL
URBAN A. LESTER

January 13, 2006

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Security Agreement, dated as of January 13, 2006, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lender: AIG Commercial Equipment Finance, Inc.
5700 Granite Parkway, Suite 850
San Antonio, Texas 75024

Borrower: RTI Railroad Services, Inc.
923 North 290 East
American Fork, Utah 84003

Mr. Vernon A. Williams
January 13, 2006
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A description of the railroad equipment covered by the enclosed document is:

136 flatcars, 133 within the series RTIX 11 - RTIX 907, as more particularly set forth in the equipment schedule attached to the document, and RTIX 600010 and RTIX 601926.

A short summary of the document to appear in the index is:

Security Agreement.

Also enclosed is a check in the amount of \$33.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/anm
Enclosures

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SURFACE TRANSPORTATION BOARD

SECURITY AGREEMENT

THIS SECURITY AGREEMENT ("Security Agreement") dated this 13th day of January, 2006 by RTI RAILROAD SERVICES, INC. ("Borrower"), a corporation duly incorporated/organized and existing under the laws of the State of Utah and having its principal place of business and chief executive office at 923 North 290 East, American Fork, UT 84003, in favor of AIG COMMERCIAL EQUIPMENT FINANCE, INC., a Delaware corporation (the "Lender"), having its principal office at 5700 Granite Parkway, Suite 850, Plano, Texas 75024.

Concurrently herewith, the Borrower is executing a note, in favor of the Lender in an original amount of [REDACTED]. On or before March 31, 2006, Borrower will execute an additional note ("Note #2") in favor of the Lender in the approximate amount of [REDACTED] (both notes, as amended, supplemented or otherwise modified from time to time, referred to collectively herein as the "Note"). In consideration of the premises and to induce the Lender to extend credit, the Borrower hereby agrees with the Lender as follows:

1. Definitions. As used herein, the following terms shall have the following meanings, and shall be equally applicable to both the singular and plural forms of the terms defined:

Applicable Law shall mean the laws of the State of New York (or any other jurisdiction whose laws are mandatorily applicable notwithstanding the parties' choice of law) or the laws of the United States of America, whichever laws allow the greater interest, as such laws now exist or may be changed or amended or come into effect in the future.

Business Day shall mean any day other than a Saturday, Sunday or public holiday or the equivalent for banks operating in the State of New York.

Event of Default shall mean any event specified in Section 6 of this Security Agreement.

GAAP shall mean generally accepted accounting principles in the United States of America, as in effect from time to time.

Loan Documents shall mean, collectively, this Security Agreement, the Note and all other documents, agreements, certificates, instruments and opinions executed and delivered in connection herewith and therewith, as the same may be modified, extended, restated or supplemented from time to time.

Material Adverse Change shall mean, with respect to any Person, a material adverse change in the business, prospects, operations, results of operations, assets, liabilities or condition (financial or otherwise) of such Person taken as a whole.

Material Adverse Effect shall mean, with respect to any Person, a material adverse effect on the business, prospects, operations, results of operations, assets, liabilities or condition (financial or otherwise) of such Person taken as a whole.

Obligations shall mean all indebtedness, obligations and liabilities of the Borrower under the Note and under this Security Agreement, whether on account of principal, interest, indemnities, fees (including, without limitation, attorneys' fees, remarketing fees, origination fees, collection fees and all other professionals' fees), costs, expenses, taxes or otherwise.

Person shall mean any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, institution, entity, party or government (including any division, agency or department thereof), and the successors, heirs and assigns of each.

2. **Creation of Security Interest; Collateral.** To secure the payment and performance of all the Obligations, the Borrower hereby assigns and grants to the Lender a continuing general, first priority lien on and security interest in, all the Borrower's right, title and interest in and to the all equipment, whether or not affixed to realty, described on Schedule A hereto (the "Equipment"), together with all present and future additions, parts, accessories, attachments, substitutions, repairs, improvements and replacements thereof or thereto, and any and all proceeds thereof, including, without limitation, proceeds of insurance (the "Collateral").

3. **The Borrower's Representations And Warranties.**

3.1. **Good Standing; Qualified to do Business.** The Borrower (i) is a "registered organization" (as defined in the Uniform Commercial Code) duly organized, validly existing and in good standing under the laws of the State indicated in the first paragraph of this Agreement and Borrower's exact legal name is as set forth in the first paragraph of this Agreement; (ii) has the power and authority to own its properties and assets and to transact the businesses in which it is presently, or proposes to be, engaged and (iii) is duly qualified and authorized to do business and is in good standing in every jurisdiction in which the failure to be so qualified could have a Material Adverse Effect on (a) the Borrower, (b) the Borrower's ability to perform its obligations under the Loan Documents or (c) the rights of the Lender hereunder.

3.2. **Due Execution, etc.** The execution, delivery and performance by the Borrower of each of the Loan Documents to which it is a party are within the powers of the Borrower, do not contravene the organizational documents, if any, of the Borrower, and do not (i) violate any law or regulation, or any order or decree of any court or governmental authority, (ii) conflict with or result in a breach of, or constitute a default under, any material indenture, mortgage or deed of trust or any material lease, agreement or other instrument binding on the Borrower or any of its properties, or (iii) require the consent, authorization by or approval of or notice to or filing or registration with any governmental authority or other Person. This Security Agreement is, and each of the other Loan Documents to which the Borrower is or will be a party, when delivered hereunder or thereunder, will be, the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms.

3.3. **Solvency; No Liens.** The Borrower is solvent, is paying its debts as they become due and has sufficient capital to conduct its business; the fair salable value of the Borrower's assets is in excess of the total amount of its liabilities (including contingent liabilities) as they become absolute and matured; the security interests granted herein constitute and shall at all times constitute the first and only liens on the Collateral; and the Borrower is, or will be at the time additional Collateral is acquired by it, the absolute owner of the Collateral with full right to pledge, sell, consign, transfer and create a security interest therein, free and clear of any and all claims or liens in favor of any other Person.

3.4. **No Judgments, Litigation.** No judgments are outstanding against the Borrower nor is there now pending or, to the best of the Borrower's knowledge after diligent inquiry, threatened, any litigation, contested claim, or governmental proceeding by or against the Borrower except judgments and pending or threatened litigation, contested claims and governmental proceedings which would not, in the aggregate, have a Material Adverse Effect on the Borrower.

3.5. **No Defaults.** The Borrower is not in default under any material contract, lease, or commitment to which it is a party or by which it is bound. The Borrower knows of no dispute regarding any contract, lease, or commitment which could have a Material Adverse Effect on the Borrower.

3.6. **Collateral Locations.** On the date hereof, the Collateral is located at the place of business specified in Schedule A hereto.

3.7. **No Events of Default.** No Event of Default has occurred and is continuing nor has any event occurred which, with the giving of notice or the passage of time, or both, would constitute an Event of Default.

3.8. **No Limitation on Lender's Rights.** Except as permitted herein, none of the Collateral is subject to contractual obligations that may restrict or inhibit the Lender's rights or abilities to sell or dispose of the Collateral or any part thereof after the occurrence of an Event of Default.

3.9. Perfection and Priority of Security Interest. This Security Agreement creates a valid and, upon completion of all required filings of financing statements, perfected and, first priority and exclusive security interest in the Collateral, securing the payment of all the Obligations.

3.10. Model and Serial Numbers. Schedule A hereto sets forth the true and correct model number and serial number of each item of equipment that constitutes Collateral.

4. Covenants of the Borrower.

4.1. Existence, Fundamental Changes. The Borrower will maintain its existence, its current yearly accounting cycle, and shall maintain in full force and effect all licenses, bonds, franchises, leases, trademarks, patents, contracts and other rights necessary or desirable to the profitable conduct of its business, shall continue in, and limit its operations to, the same general lines of business as those presently conducted by it and shall comply with all applicable laws and regulations of any federal, state or local governmental authority, except for such laws and regulations the violations of which would not, in the aggregate, have a Material Adverse Effect on the Borrower. Without the prior written consent of the Lender, the Borrower shall not merge or consolidate with any other Person, or amend or modify its capital structure or sell or otherwise dispose of all or substantially all of its assets.

4.2. Notice to the Lender. As soon as possible, and in any event within five days after the Borrower learns of the following, the Borrower will give written notice to the Lender of (i) any proceeding instituted or threatened to be instituted by or against the Borrower in any federal, state, local or foreign court or before any commission or other regulatory body (federal, state, local or foreign), (ii) the occurrence of any Material Adverse Change with respect to the Borrower and (iii) the occurrence of any Event of Default or event or condition which, with notice or lapse of time or both, would constitute an Event of Default, together with a statement of the action which the Borrower has taken or proposes to take with respect thereto.

4.3. Maintenance of Books and Records. The Borrower will maintain books and records pertaining to the Collateral in such detail, form and scope as the Lender shall require in its commercially reasonable judgment. The Borrower agrees that the Lender or its agents may enter upon the Borrower's premises at any time and from time to time during normal business hours, and at any time on and after the occurrence of an Event of Default, for the purpose of inspecting the Collateral and any and all records pertaining thereto.

4.4. Insurance. The Borrower will maintain insurance on the Collateral under such policies of insurance, with such insurance companies, in such amounts and covering such risks as are at all times satisfactory to the Lender. All such policies shall be made payable to the Lender, in case of loss, under a standard non-contributory "lender" or "secured party" endorsement and are to contain such other provisions as the Lender may reasonably require to protect the Lender's interests in the Collateral and to any payments to be made under such policies, and shall provide that intentional acts of the Borrower do not affect the insured's obligations to Lender under such endorsement. True copies of all original insurance policies (with endorsements) are to be delivered to the Lender, premium prepaid, with the Lender's Loss Payable Endorsement in the Lender's favor, and shall provide for not less than thirty days' prior written notice to the Lender, of any alteration or cancellation of coverage. If the Borrower fails to maintain such insurance, the Lender may arrange for (at the Borrower's expense and without any responsibility on the Lender's part for) obtaining the insurance. Unless the Lender shall otherwise agree with the Borrower in writing, the Lender shall have the sole right, in the name of the Lender or the Borrower, to file claims under any insurance policies, to receive and give acquittance for any payments that may be payable thereunder, and to execute any endorsements, receipts, releases, assignments, reassignments or other documents that may be necessary to effect the collection, compromise or settlement of any claims under any such insurance policies.

4.5. Taxes. The Borrower will pay, when due, all taxes, assessments, claims and other charges (herein "taxes") lawfully levied or assessed against the Borrower or the Collateral other than taxes that are being diligently contested in good faith by the Borrower by appropriate proceedings promptly instituted and for which an adequate reserve is being maintained by the Borrower in accordance with GAAP. If any taxes remain unpaid after the date fixed for the payment thereof, or if any lien shall be claimed therefor, then, without notice to the Borrower, but on the Borrower's behalf, the Lender may pay such taxes, and the amount thereof shall be included in the Obligations.

4.6. Borrower to Defend Collateral Against Claims; Fees on Collateral. The Borrower will defend the Collateral against all claims and demands of all Persons at any time claiming the same or any interest therein. The Borrower will not permit any notice creating or otherwise relating to liens on the Collateral or any portion thereof to exist or be on file in any public office. The Borrower shall promptly pay, when due, all transportation, storage and warehousing charges and license fees, registration fees, assessments, charges, permit fees and taxes (municipal, state and federal) which may now or hereafter be imposed upon the ownership, leasing, renting, possession, sale or use of the Collateral, excluding however, all taxes on or measured by the Lender's income.

4.7. No Change of Location, Structure or Identity. The Borrower will not (i) change its name, or (ii) move or permit the movement of any Collateral from the location specified in Schedule A hereto, except that the Borrower may change its name and keep Collateral at other locations within the United States provided that the Borrower has delivered to the Lender (A) prior written notice thereof and (B) any agreements and instruments (all in form and substance satisfactory to the Lender) necessary or, in the opinion of the Lender, desirable to perfect and maintain in favor of the Lender a first priority security interest in the Collateral. Notwithstanding anything to the contrary in the immediately preceding sentence, the Borrower may keep any Collateral consisting of motor vehicles or rolling stock at any location in the United States provided that the Lender's security interest in any such Collateral is conspicuously marked on the certificate of title thereof and the Borrower has complied with the provisions of Section 4.9.

4.8. Use of Collateral; Licenses. The Collateral shall be operated by competent, qualified personnel in connection with the Borrower's business purposes, for the purpose for which the Collateral was designed and in accordance with applicable operating instructions, laws and government regulations, and the Borrower shall use every reasonable precaution to prevent loss or damage to the Collateral from fire and other hazards. Borrower will maintain the Collateral in its original condition and working order, ordinary wear and tear excepted, and, at the request of Lender, furnish all proof of maintenance. The Collateral shall not be used or operated for personal, family or household purposes. The Borrower shall procure and maintain in effect all orders, licenses, certificates, permits, approvals and consents required by federal, state or local laws or by any governmental body, agency or authority in connection with the delivery, installation, use and operation of the Collateral.

4.9. Further Assurances; Financing Statements. The Borrower will, promptly upon request by the Lender, execute and deliver or use its best efforts to obtain any document required by the Lender (including, without limitation, warehouseman or processor disclaimers, mortgagee waivers, landlord disclaimers, or subordination agreements with respect to the Obligations and the Collateral), give any notices, execute and file any financing statements, mortgages or other documents (all in form and substance satisfactory to the Lender), mark any chattel paper, deliver any chattel paper or instruments to the Lender, and take any other actions that are necessary or, in the opinion of the Lender, desirable to perfect or continue the perfection and the first priority of the Lender's security interest in the Collateral, to protect the Collateral against the rights, claims, or interests of any Persons, or to effect the purposes of this Security Agreement. The Borrower hereby authorizes the Lender to file one or more financing or continuation statements, and amendments thereto, relating to all or any part of the Collateral. A carbon, photographic or other reproduction of this Security Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law. To the extent required under this Security Agreement, the Borrower will pay all costs incurred in connection with any of the foregoing.

4.10. No Disposition of Collateral. The Borrower will not in any way hypothecate or create or permit to exist any lien, security interest, charge or encumbrance on or other interest in any of the Collateral, except for the lien and security interest granted hereby, and the Borrower will not sell, transfer, assign, pledge, collaterally assign, exchange or otherwise dispose of any of the Collateral, including, but not limited to, transfer to any entity with the same or similar name as Borrower and organized under the laws of a state other than the state of Borrower's organization on the date hereof. In the event the Collateral, or any part thereof, is sold, transferred, assigned, exchanged, or otherwise disposed of in violation of these provisions, the security interest of the Lender shall continue in such Collateral or part thereof notwithstanding such sale, transfer, assignment, exchange or other disposition, and the Borrower will hold the proceeds thereof in a separate account for the benefit of the Lender. Following such a sale, the Borrower will transfer such proceeds to the Lender in kind.

4.11. No Limitation on Lender's Rights. The Borrower will not enter into any contractual obligations which may restrict or inhibit the Lender's rights or ability to sell or otherwise dispose of the Collateral or any part thereof.

4.12. Protection of Collateral. The Lender shall have the right at any time to make any payments and do any other acts the Lender may deem necessary to protect its security interests in the Collateral, including, without limitation, the rights to satisfy, purchase, contest or compromise any encumbrance, charge or lien which, in the reasonable judgment of the Lender, appears to be prior to or superior to the security interests granted hereunder, and appear in and defend any action or proceeding purporting to affect its security interests in, or the value of, any of the Collateral. The Borrower hereby agrees to reimburse the Lender for all payments made and expenses incurred under this Security Agreement including fees, expenses and disbursements of attorneys and paralegals (including the allocated costs of in-house counsel) acting for the Lender, including any of the foregoing payments under, or acts taken to protect its security interests in, any of the Collateral, which amounts shall be secured under this Security Agreement, and agrees it shall be bound by any payment made or act taken by the Lender hereunder absent the Lender's gross negligence or willful misconduct. The Lender shall have no obligation to make any of the foregoing payments or perform any of the foregoing acts.

4.13. Delivery of Items. The Borrower will promptly (but in no event later than one Business Day) after its receipt thereof, deliver to the Lender any documents or certificates of title issued with respect to any property included in the Collateral, and any promissory notes, letters of credit or instruments related to or otherwise in connection with any property included in the Collateral, which in any such case come into the possession of the Borrower, or shall cause the issuer thereof to deliver any of the same directly to the Lender, in each case with any necessary endorsements in favor of the Lender.

4.14. OFAC. No Loan Party (defined below) nor any of its respective affiliates (i) is or will become a person whose property or interest in property are blocked or subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)); (ii) will engage in any dealings or transactions prohibited by such executive order, or be otherwise associated with any such person in any manner that is in violation of such executive order; or (iii) will otherwise become a person on the list of Specially Designated Nationals and Blocked Persons ("SDN List") or subject to the limitations or prohibitions under any other regulation, executive order or sanctions programs administered by the Office of Foreign Assets Control.

4.15. Break Up Fee. At any time prior to March 31, 2006, provided there is no outstanding Event of Default hereunder and further provided that has been no Material Adverse Change in the financial condition, business or operations of the Borrower, Borrower will execute and deliver, and Lender will fund Note #2. In the Event Borrower does not execute and deliver Note #2 on or before March 31, 2006, the Lender will have no further obligation to fund Note #2, and the Borrower will pay to Lender upon demand and in immediately available U.S. dollars, a break up fee in the amount of \$50,000.00. The Borrower acknowledges that such fee would be reasonable compensation to the Lender for its Agreement to fund Note #2.

5. Financial Statements. Until the payment and satisfaction in full of all Obligations, the Borrower shall deliver to the Lender the following financial information:

5.1. Annual Financial Statements. As soon as available, but not later than 120 days after the end of each fiscal year of the Borrower and its consolidated subsidiaries, the consolidated balance sheet, income statement and statements of cash flows and shareholders equity for the Borrower and its consolidated subsidiaries (the "Financial Statements") for such year, reported on by independent certified public accountants without an adverse qualification; and

5.2. Quarterly Financial Statements. As soon as available, but not later than 60 days after the end of each of the first three fiscal quarters in any fiscal year of the Borrower and its consolidated subsidiaries, the Financial Statements for such fiscal quarter, together with a certification duly executed by a responsible officer of the Borrower that such Financial Statements have been prepared in accordance with GAAP and are fairly stated in all material respects (subject to normal year-end audit adjustments).

6. Events of Default. The occurrence of any of the following events shall constitute an Event of Default hereunder:

- a) failure of the Borrower to pay any of the Obligations when due, whether at stated maturity, by acceleration, or otherwise and such failure continues for five (5) days after the due date thereof;
- b) failure of the Borrower to obtain and maintain the insurance required herein;
- c) failure of the Borrower or any guarantor of any or all of the Obligations (together with the Borrower, the "Loan Parties" and each a "Loan Party") to perform, comply with or observe any term, covenant or agreement applicable to it contained in any of the Loan Documents and such failure shall continue unremedied for a period of ten (10) days after Lender's written notice thereof to Borrower;
- d) any representation or warranty made or deemed made by a Loan Party hereunder, under or in connection with the Financial Statements, under any other Loan Document or under any other agreement between any of the Loan Parties and the Lender, or under any document, instrument or certificate executed by any of the Loan Parties in favor of the Lender, shall prove to have been false, misleading, inaccurate or incorrect in any material respect when made;
- e) the admission in writing by any of the Loan Parties of its inability to pay its debts as they mature; or the calling of a meeting of any of the Loan Parties' creditors for purposes of compromising any of the Loan Parties' debts;
- f) the commencement by or against any of the Loan Parties of any bankruptcy, insolvency, arrangement, reorganization, receivership or similar proceedings under any federal or state law and, in the case of any such involuntary proceeding, such proceeding remains undismissed or unstayed for forty-five (45) days following the commencement thereof, or any Loan Party takes any action authorizing any such proceedings;
- g) any of the Loan Parties suffers or sustains a Material Adverse Change;
- h) any of the Loan Parties shall (1) default in the payment of principal of or interest on any indebtedness (other than the Obligations) beyond the period of grace, if any, provided in the instrument or agreement under which such indebtedness was created; or (2) default in the observance or performance of any other agreement or condition relating to any such indebtedness or contained in any instrument or agreement relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such indebtedness to cause, with the giving of notice if required, such indebtedness to become due prior to its stated maturity;
- i) any judgment shall be rendered against any of the Loan Parties which shall not be stayed, vacated, bonded or discharged within sixty (60) days;
- j) any material covenant, agreement or obligation of any of the Loan Parties contained in or evidenced by any of the Loan Documents shall cease to be enforceable, or shall be determined to be unenforceable, in accordance with its terms; any of the Loan Parties shall deny or disaffirm its obligations under any of the Loan Documents or any liens granted in connection therewith; or any liens granted on any of the collateral shall be determined to be void, voidable or invalid, are subordinated or are not given the priority contemplated by this Security Agreement;
- k) if any of the Loan Parties is a privately held corporation or any other non-public business organization and effective control of such Loan Party's voting capital stock or other ownership interest, issued and outstanding from time to time, is not retained by the present stockholders or interest holders (unless such Loan Party shall have provided sixty (60) days' prior written notice of the proposed disposition of stock or ownership interest and Lender shall have consented thereto in writing);
- l) if any of the Loan Parties is a publicly held corporation and, during any twelve (12) month period, there is a change in the ownership of such Loan Party's capital stock exceeding five percent (5%) of all its capital stock issued and outstanding during such period; or
- m) the Lender, in its sole and absolute discretion, shall deem itself insecure.

7. **Remedies.** If any Event of Default shall have occurred and be continuing:

- a) the Lender may, without prejudice to any of its other rights under any Loan Document or applicable law, declare all Obligations to be immediately due and payable (except with respect to any Event of Default set forth in Section 6(f) hereof, in which case all Obligations shall automatically become immediately due and payable without necessity of any declaration) without presentment, representation, demand of payment or protest, which are hereby expressly waived;
- b) the Lender may take possession of the Collateral and, for that purpose may enter, with the aid and assistance of any person or persons, any premises where the Collateral or any part hereof is, or may be placed, and remove the same;
- c) the obligation of the Lender, if any, to give additional (or to continue) financial accommodations of any kind to the Borrower shall immediately terminate;
- d) the Lender may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein (or in any Loan Document) or otherwise available to it, all the rights and remedies of a secured party under the Uniform Commercial Code (the "Code") whether or not the Code applies to the affected Collateral and also may (1) require the Borrower to, and the Borrower hereby agrees that it will at its expense and upon request of the Lender forthwith, assemble all or part of the Collateral as directed by the Lender and make it available to the Lender at a place to be designated by the Lender that is reasonably convenient to both parties and (2) without notice except as specified below, sell the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Lender's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Lender may deem commercially reasonable. The Borrower agrees that, to the extent notice of sale shall be required by law, at least ten days' notice to the Borrower of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Lender shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Lender may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned;
- e) all cash proceeds received by the Lender in respect of any sale of, collection from, or other realization upon all or any part of the Collateral may, in the discretion of the Lender, be held by the Lender as collateral for, or then or at any time thereafter applied in whole or in part by the Lender against, all or any part of the Obligations in such order as the Lender shall elect. Any surplus of such cash or cash proceeds held by the Lender and remaining after the full and final payment of all the Obligations shall be paid over to the Borrower or to such other Person to which the Lender may be required under applicable law, or directed by a court of competent jurisdiction, to make payment of such surplus.

8. **Miscellaneous Provisions.**

8.1. **Notices.** Except as otherwise provided herein, all notices, approvals, consents, correspondence or other communications required or desired to be given hereunder shall be given in writing and shall be delivered by overnight courier, hand delivery or certified or registered mail, postage prepaid to the addresses stated below. All such notices and correspondence shall be effective when received:

If to Lender: 5700 Granite Parkway, Suite 850, Plano, Texas 75024, ATTN: Operations Manager; or such other address as shall be designated by the Lender to the Borrower.

If to Borrower: 923 North 290 East, American Fork, UT 84003, or such other address as shall be designated by the Borrower to the Lender.

8.2. **Headings.** The headings in this Security Agreement are for purposes of reference only and shall not affect the meaning or construction of any provision of this Security Agreement.

8.3. Assignments. The Borrower shall not have the right to assign the Note or this Security Agreement or any interest therein. The Lender may assign its rights and delegate its obligations under the Note or this Security Agreement.

8.4. Amendments, Waivers and Consents. Any amendment or waiver of any provision of this Security Agreement and any consent to any departure by the Borrower from any provision of this Security Agreement shall be effective only by a writing signed by the Lender and shall bind and benefit the Borrower and the Lender and their respective successors and assigns, subject, in the case of the Borrower, to the first sentence of Section 8.3.

8.5. Interpretation of Agreement. Time is of the essence in each provision of this Security Agreement of which time is an element. All terms not defined herein or in the Note shall have the meaning set forth in the applicable Code, except where the context otherwise requires. To the extent a term or provision of this Security Agreement conflicts with the Note and is not dealt with herein with more specificity, this Security Agreement shall control with respect to the subject matter of such term or provision. Acceptance of or acquiescence in a course of performance rendered under this Security Agreement shall not be relevant in determining the meaning of this Security Agreement even though the accepting or acquiescing party had knowledge of the nature of the performance and opportunity for objection.

8.6. Continuing Security Interest. This Security Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until the indefeasible payment in full of the Obligations, (ii) be binding upon the Borrower and its successors and assigns and (iii) inure, together with the rights and remedies of the Lender hereunder, to the benefit of the Lender and its successors, transferees and assigns.

8.7. Reinstatement. To the extent permitted by law, this Security Agreement and the rights and powers granted to the Lender hereunder and under the Loan Documents shall continue to be effective or be reinstated if at any time any amount received by the Lender in respect of the Obligations is rescinded or must otherwise be restored or returned by the Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower or upon the appointment of any receiver, intervenor, conservator, trustee or similar official for the Borrower or any substantial part of its assets, or otherwise, all as though such payments had not been made.

8.8. Survival of Provisions. All representations, warranties and covenants of the Borrower contained herein shall survive the execution and delivery of this Security Agreement, and shall terminate only upon the full and final payment and performance by the Borrower of the Obligations secured hereby.

8.9. Indemnification. The Borrower agrees to indemnify and hold harmless the Lender and its directors, officers, agents, employees and counsel from and against any and all costs, expenses, claims, or liability incurred by the Lender or such Person hereunder and under any other Loan Document or in connection herewith or therewith, unless such claim or liability shall be due to willful misconduct or gross negligence on the part of the Lender or such Person.

8.10. Governing Law; Consent to Jurisdiction. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES OF SUCH STATE), INCLUDING ALL MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE. THE PARTIES AGREE THAT ANY ACTION OR PROCEEDING ARISING UNDER OR RELATED TO THIS AGREEMENT MAY BE COMMENCED IN ANY FEDERAL OR STATE COURT SITTING IN THE SOUTHERN DISTRICT OF NEW YORK OR THE NORTHERN DISTRICT OF TEXAS AND THE PARTIES IRREVOCABLY SUBMIT TO THE JURISDICTION OF EACH SUCH COURT AND AGREE NOT TO ASSERT, BY WAY OF MOTION, AS A DEFENSE OR OTHERWISE, IN ANY SUCH SUIT, ACTION OR PROCEEDING, ANY CLAIM THAT IT IS NOT PERSONALLY SUBJECT TO THE JURISDICTION OF SUCH COURT, THAT THE SUIT, ACTION OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM, THAT THE VENUE OF SUCH SUIT, ACTION OR PROCEEDING IS IMPROPER, OR THAT THE AGREEMENT OR THE SUBJECT MATTER THEREOF OR THE TRANSACTION CONTEMPLATED HEREBY OR THEREBY MAY NOT BE ENFORCED IN OR BY SUCH COURT. The Parties agree that a final judgment in any such action or proceeding shall be

conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

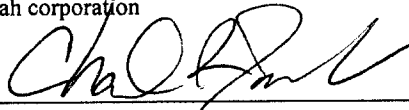
3.11. Waiver of Jury Trial. THE BORROWER AND THE LENDER IRREVOCABLY WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS SECURITY AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

3.12. Delays; Partial Exercise of Remedies. No delay or omission of the Lender to exercise any right or remedy hereunder, whether before or after the happening of any Event of Default, shall impair any such right or shall operate as a waiver thereof or as a waiver of any such Event of Default. No single or partial exercise by the Lender of any right or remedy shall preclude any other or further exercise thereof, or preclude any other right or remedy.

8.13. Entire Agreement. The Borrower and the Lender agree that this Security Agreement and the Schedule hereto are the complete and exclusive statement and agreement between the parties with respect to the subject matter hereof, superseding all proposals and prior agreements, oral or written, and all other communications between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned Borrower has caused this Security Agreement to be duly executed and delivered by its proper and duly authorized officer as of the date first set forth above.

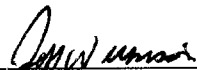
RTI RAILROAD SERVICES, INC.
a Utah corporation

By: 

Name: Charles R. Jacob
Title: President
FEIN: 47-0868180

Accepted as of this 13th day of January, 2006

AIG COMMERCIAL EQUIPMENT FINANCE, INC.

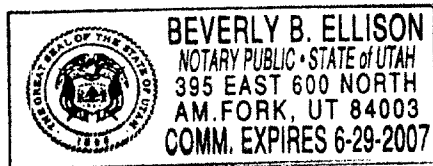
By: 

Name: Jeff Wilkison
Title: Vice President

STATE OF Utah

COUNTY OF Utah

On this 13th day of January, 2006, before me personally appeared Charles R. Jacob, to me personally known, who being by me duly sworn, says that he is the President of RTI Railroad Services, Inc. and that the Security Agreement dated January 13, 2006 was signed on behalf of said corporation, and he acknowledged that the execution of the said instrument was his free act and deed.



Beverly B. Ellison
NOTARY PUBLIC

My commission expires:

6-29-2007

STATE OF Texas

COUNTY OF Collin

On this 13h day of January, 2006, before me personally appeared Jeff Wilkison, to me personally known, who being by me duly sworn, says that he is the Vice President of AIG Commercial Equipment Finance, Inc. that the Security Agreement dated January 13, 2006 was signed on behalf of said corporation, and he acknowledged that the execution of the said instrument was his free act and deed.



Carrie Stovall
NOTARY PUBLIC

My commission expires: 11/08/07

SCHEDULE A
(Equipment/Collateral Description)

THIS SCHEDULE A is executed pursuant to and is incorporated for all purposes into that certain

<input checked="" type="checkbox"/>	Security Agreement
<input type="checkbox"/>	Financing Statement
<input type="checkbox"/>	Subordination Agreement
<input type="checkbox"/>	Other _____

dated January 13th, 2006 by and between AIG COMMERCIAL EQUIPMENT FINANCE, INC. and the undersigned Customer.

COLLATERAL LOCATION: 30 27NR19E MDM, Flanigan, NV 89510

COLLATERAL DESCRIPTION:

136 (One-Hundred Thirty-Six) 89 foot, 70-TON flatcars

CAR MARK AND NUMBER

<u>New</u>	<u>Previous</u>
RTIX 11	WC 36200
RTIX 12	WC 36214
RTIX 13	WC 36216
RTIX 14	WC 36218
RTIX 15	WC 36219
RTIX 16	WC 36221
RTIX 17	WC 36227
RTIX 18	WC 36229
RTIX 19	WC 36232
RTIX 20	WC 36240
RTIX 21	WC 36242
RTIX 22	WC 36243
RTIX 23	WC 36247
RTIX 24	WC 36248
RTIX 25	WC 36249
RTIX 26	WC 36253
RTIX 27	WC 36261
RTIX 28	WC 36263
RTIX 29	WC 36264
RTIX 30	WC 36265
RTIX 31	WC 36201
RTIX 32	WC 36202
RTIX 33	WC 36203
RTIX 34	WC 36204
RTIX 35	WC 36205
RTIX 36	WC 36207
RTIX 37	WC 36209
RTIX 38	WC 36210
RTIX 39	WC 36211
RTIX 40	WC 36217
RTIX 41	WC 36222
RTIX 42	WC 36226

<u>New</u>	<u>Previous</u>
RTIX 43	WC 36230
RTIX 44	WC 36233
RTIX 45	WC 36234
RTIX 46	WC 36236
RTIX 47	WC 36237
RTIX 48	WC 36239
RTIX 49	WC 36244
RTIX 50	WC 36245
RTIX 51	WC 36255
RTIX 52	WC 36257
RTIX 53	WC 36260
RTIX 54	WC 36262
RTIX 55	WC 36252
RTIX 56	KCS 8651
RTIX 57	KCS 8658
RTIX 58	KCS 8514
RTIX 59	KCS 8546
RTIX 60	KCS 8523
RTIX 61	KCS 8670
RTIX 62	KCS 8544
RTIX 63	KCS 8689
RTIX 64	KCS 8552
RTIX 65	KCS 8679
RTIX 66	KCS 8777
RTIX 67	KCS 8799
RTIX 68	KCS 8774
RTIX 69	KCS 8713
RTIX 70	KCS 8559
RTIX 71	KCS 8527
RTIX 72	KCS 8564
RTIX 73	KCS 8662
RTIX 74	KCS 8730
RTIX 75	KCS 8515
RTIX 76	KCS 8588
RTIX 102	RTTX 150133
RTIX 103	RTTX 150194
RTIX 104	RTTX 150241
RTIX 105	RTTX 150673
RTIX 106	RTTX 150721
RTIX 107	RTTX 151010
RTIX 108	RTTX 152013
RTIX 109	RTTX 152234
RTIX 110	RTTX 152265
RTIX 111	RTTX 152475
RTIX 112	RTTX 152544
RTIX 113	RTTX 152800
RTIX 114	RTTX 152802
RTIX 115	RTTX 152913
RTIX 116	RTTX 153014
RTIX 117	RTTX 153284

<u>New</u>	<u>Previous</u>
RTIX 118	RTTX 153321
RTIX 119	RTTX 153508
RTIX 120	RTTX 154476
RTIX 121	RTTX 154701
RTIX 123	RTTX 155398
RTIX 124	KTTX 151564
RTIX 125	RTTX 601742
RTIX 127	RTTX 150791
RTIX 128	RTTX 153340
RTIX 129	RTTX 151465
RTIX 130	KTTX 150141
RTIX 131	RTTX 151523
RTIX 201	RTTX 250074
RTIX 202	RTTX 250188
RTIX 203	RTTX 250220
RTIX 204	RTTX 250764
RTIX 205	RTTX 250958
RTIX 206	RTTX 251019
RTIX 207	RTTX 251155
RTIX 209	RTTX 252706
RTIX 212	KTTX 251659
RTIX 501	JTTX 150204
RTIX 502	JTTX 152854
RTIX 503	JTTX 250173
RTIX 504	JTTX 250557
RTIX 505	JTTX 251528
RTIX 506	JTTX 600218
RTIX 507	JTTX 600541
RTIX 508	JTTX 911280
RTIX 509	RTTX 911557
RTIX 510	JTTX 910403
RTIX 511	JTTX 910442
RTIX 512	JTTX 910460
RTIX 513	JTTX 250097
RTIX 514	JTTX 600694
RTIX 600	RTTX 600181
RTIX 601	RTTX 600040
RTIX 602	RTTX 600772
RTIX 603	RTTX 601208
RTIX 604	RTTX 601340
RTIX 605	RTTX 601352

<u>New</u>	<u>Previous</u>
RTIX 606	RTTX 601473
RTIX 608	RTTX 600123
RTIX 609	RTTX 600510
RTIX 610	RTTX 600606
RTIX 901	RTTX 910801
RTIX 902	RTTX 911495
RTIX 903	RTTX 911572
RTIX 904	RTTX 913871
RTIX 905	RTTX 913885
RTIX 906	RTTX 930597
RTIX 907	RTTX 930667
RTIX 600010	RTTX 600010
RTIX 601926	RTTX 601926

COLLATERAL DESCRIPTION:

Seventy five (75) HD Railroad Containers manufactured by Rocky Mountain Welding & Fabricating, Inc.
Serial Numbers:

10181, 10182, 10183, 10184, 10185, 10186, 10187, 10188, 10372, 10373, 10374, 10375, 10376, 10377, 10378, 10379, 10380, 10381, 10382, 10383, 10384, 10385, 10386, 10387, 10388, 10389, 10390, 10391, 10392, 10393, 10394, 10395, 10396, 10397, 10398, 10399, 10400, 10401, 10402, 10403, 10404, 10405, 10406, 10407, 10408, 10409, 10410, 10411, 10412, 10413, 10414, 10415, 10416, 10417, 10418, 10419, 10420, 10421, 10422, 10423, 10424, 10425, 10426, 10427, 10428, 10429, 10430, 10431, 10432, 10433, 10434, 10435, 10436, 10437, 10438

together with all present and future additions, parts, accessories, attachments, substitutions, repairs, improvements and replacements thereof or thereto, and any and all proceeds thereof, including, without limitation, proceeds of insurance.

RTI Railroad Services, Inc.

By: 

Name: Charles R. Jacob
Title: President

AIG COMMERCIAL EQUIPMENT FINANCE, INC.

By: 

Name: Jeff Wilkison
Title: Vice President

Schedule A (collateral descrip) (08/04)

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: _____

1/13/04



Robert W. Alvord